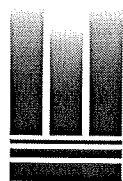


**INDEPENDENT ACCOUNTANT'S REPORT**

**TOWN OF HEADRICK, OKLAHOMA**

**JULY 1, 2013 TO JUNE 30, 2014**

BY



**FURRH**  
**& ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS



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### **Independent Accountant's Report**

To the Specified Users of the Report:

Town Council, Town of Headrick  
Headrick, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Headrick, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2014 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Headrick is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agree-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Procedures and Finding**

As to the **Town of Headrick** as of and for the fiscal year ended June 30, 2014:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** We found no instances of noncompliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

**Findings:** We found no instances of noncompliance.

- 3. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the PWA Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

**Findings:** We found no instances of noncompliance.

- 4. Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** We found no instances of any significant or unusual reconciling items.

- 5. Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** We found no uninsured or uncollateralized deposits.

- 6. Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** We found no instances of noncompliance.

- 7. Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** We found no instances of noncompliance.

- 8. Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** We found no instances of noncompliance.

As to the **Town of Headrick Grant Programs**, as of and for the fiscal year ended June 30, 2014:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a schedule of grant activity for each grant and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement(s).

**Findings:** We found no instances of noncompliance.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

*Furrh and Associates, PC*

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

September 23, 2014

**Town of Headrick**  
**Headrick, Oklahoma**  
**Summary of Changes in Fund Balance-Cash Basis**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

	<u>Beginning of Year Fund</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 2,575	\$ 4,308	\$ 4,868	\$ 2,015
Public Works Authority	38,719	48,315	47,814	39,220
Fire Department General Fund	21,413	5,664	5,181	21,896
Fire Department Operating	0	4,473	4,473	0
<b>Overall Totals</b>	<u>\$ 62,707</u>	<u>\$ 62,760</u>	<u>\$ 62,336</u>	<u>\$ 63,131</u>

**Town of Headrick**  
**Headrick, Oklahoma**  
**Budgetary Comparison Schedule-Cash Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 2,575	\$ 2,575	\$ 2,575	\$ 0
<b>Resources (Inflows):</b>				
Alcoholic Beverages Tax	400	400	490	(90)
Franchise Tax Income	1,800	1,800	2,007	(207)
Motor Vehicle Tax	600	600	717	(117)
Gasoline Tax	150	150	169	(19)
Other Revenue	200	200	925	(725)
Total Inflows	3,150	3,150	4,308	(1,158)
<b>Amounts Available for Appropriation</b>	5,725	5,725	6,883	(1,158)
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal Services	1,100	1,100	1,020	80
Maintenance, Operations & Repairs	4,625	4,625	3,848	777
Total General Government	5,725	5,725	4,868	857
<b>Total Charges to Appropriations</b>	5,725	5,725	4,868	857
<b>Ending Budgetary Fund Balance</b>	\$ 0	\$ 0	\$ 2,015	\$ (2,015)

**Town of Headrick**  
**Headrick, Oklahoma**  
 Budgetary Comparison Schedule-Cash Basis  
 Public Works Authority Fund  
 For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 39,076	\$ 39,076	\$ 38,719	\$ (357)
<b>Resources (Inflows):</b>				
Water and Sewer Receipts	35,000	35,000	35,548	548
Garbage Receipts	11,500	11,500	11,842	342
Meter Deposits	1,000	1,000	900	(100)
Other Revenue	400	400	25	(375)
Total Inflows	47,900	47,900	48,315	415
<b>Amounts Available for Appropriation</b>	86,976	86,976	87,034	58
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal Services	6,800	6,800	6,540	(260)
Maintenance, Operations, Repairs	80,176	80,176	41,274	(38,902)
Total General Government	86,976	86,976	47,814	39,162
<b>Total Charges to Appropriations</b>	86,976	86,976	47,814	(39,162)
<b>Ending Budgetary Fund Balance</b>	\$ 0	\$ 0	\$ 39,220	\$ 39,220

**Town of Headrick**  
**Headrick, Oklahoma**  
**Operating Fire Grant**  
**Revenue and Expenditures Compared with Budget**  
**Year Ended June 30, 2014**

	Budget	Current Year	(Over) Under Budget
<u>Revenue</u>			
Federal Grant	\$ 4,473	4,473	\$ 0
<u>Expenditures</u>			
Grant Expenditures	4,473	4,473	0
Total Expenditures	4,473	4,473	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>